



Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

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Los Angeles, CA 90012

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



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November 12, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES' USE OF DELEGATED AUTHORITY TO AMEND THE PATIENT SATISFACTION SURVEY SERVICES AGREEMENT**

This is to advise the Board that the Department of Health Services (DHS) is exercising its delegated authority, approved on June 9, 2009 (attached), which allows the Director of Health Services, or his authorized designee, to execute an amendment to extend Agreement No. H-703322 with Press Ganey Associates, Inc. (PG). The contract may be extended beyond December 31, 2013 if University HealthSystem Consortium (UHC) continues to contract with PG beyond that date, and be co-terminus with the UHC agreement, subject to review and approval by County Counsel and Chief Executive Office, and notice to the Board. DHS has received notification that the agreement between UHC and PG has been extended for a period of one year through December 31, 2014. Therefore, DHS is extending the County Agreement with PG accordingly for the continued provision of patient satisfaction survey services.

As the Board may recall, the Centers for Medicare and Medicaid Services' regulations were modified to require reporting on patients' perception of care in the physician office setting using a standardized survey questionnaire, referred to as the Clinician and Group Consumer Assessment of Healthcare Providers and Systems. In order to comply with the regulatory changes, DHS, via its contractual relationship with PG, began conducting outpatient surveys early in 2012.

The Agreement Amendment will allow for the continued provision of patient satisfaction survey services for all DHS facilities through December 31, 2014, with an increase to the maximum obligation of \$210,068 for that period. All other terms, conditions, and restrictions of the Agreement remain unchanged and in full effect.

Each Supervisor
November 12, 2013
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County Counsel reviewed and approved the Amendment as to form. The Chief Executive Office also reviewed and approved the Amendment.

If you have any questions or require additional information, please let me know.

MHK:ev

Attachment

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



Health Services
LOS ANGELES COUNTY

June 9, 2009

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AN AMENDMENT AND A NEW AGREEMENT TO
CONDUCT PATIENT SATISFACTION SURVEYS
(SUPERVISORIAL DISTRICTS 1, 2, 4, AND 5)
(3 VOTES)**

SUBJECT:

Request approval to extend the term of an Agreement and execute a new Agreement to conduct patient satisfaction survey services at multiple Department of Health Services' (DHS) facilities.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services, or his designee, to execute Amendment No. 1 to Agreement No. H-703322 with Press Ganey Associates, Inc. (Press Ganey) to extend the term of the Agreement effective July 1, 2009 through December 31, 2011, with two one-year automatic renewals through December 31, 2013, for the continued provision of patient satisfaction survey services at Harbor-UCLA Medical Center (Harbor), Olive View-UCLA Medical Center (Olive View) and LAC+USC Medical Center (LAC+USC), and increase the maximum County obligation by \$578,615 for the entire extension period for a revised total maximum County obligation of \$889,101 for the entire term of the Agreement.
2. Authorize the Interim Director of Health Services, or his designee, to execute an Agreement with National Research Corporation (NRC) effective July 1, 2009 through June 30, 2010, with one one-year extension option through June 30, 2011 exercisable by the Interim Director under the same terms and conditions for the provision of patient satisfaction survey services at Rancho Los Amigos National Rehabilitation Center (Rancho), with a maximum annual obligation of \$33,428.

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

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through leadership,
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3. Delegate authority to the Interim Director, or his designee, to amend each agreement to increase the maximum agreement obligation by no more than 20 percent, or a total of \$115,723 for Press Ganey and \$6,686 for NRC, in the event additional surveys are required to be mailed as a result of increased patient population, subject to review by County Counsel, the Chief Executive Office (CEO), and notification to your Board.
4. Delegate authority to the Interim Director, or his designee, to extend the Agreement with Press Ganey beyond December 31, 2013, upon mutual written agreement by the parties, if University HealthSystem Consortium (UHC) continues to contract with Press Ganey beyond that date, and be co-terminous with the UHC agreement, subject to review and approval by County Counsel, CEO, and notification to your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the first recommendation will allow the Interim Director to execute an Amendment, substantially similar to Exhibit I, to extend the current Patient Satisfaction Survey Agreement with Press Ganey from its current expiration date of June 30, 2009 to December 31, 2013, to be co-terminous with the current agreement between Press Ganey and UHC.

Approval of the second recommendation will allow the Interim Director to execute a new Agreement, substantially similar to Exhibit II, to convert a Purchase Order (PO) to conduct patient satisfaction surveys at Rancho to a Board-approved agreement.

Both actions will ensure that the required patient satisfaction surveys are conducted at DHS facilities in compliance with the Centers for Medicare and Medicaid Services' (CMS) regulations. Final CMS regulations were issued for the Hospital Consumer Assessment of the Healthcare Providers and Systems (HCAHPS) data reporting requirements with an effective date of July 1, 2007. The regulations specify that Medicare payment rates will be reduced by 2.0 percentage points for any hospital that does not submit the required quality data. The HCAHPS provides a standardized survey instrument and data collection methodology for measuring patients' perspectives on hospital care and enables valid comparisons to be made across similar hospitals nationwide. DHS uses the contractors to administer the surveys.

Under the Agreements, each contractor mails patient satisfaction surveys to patients after they are discharged from the hospitals. Survey results are compiled into a variety of monthly and quarterly reports that include, but are not limited to, demographic profiles of respondents and analysis of responses by questionnaire sections. These reports provide DHS with information for improving patient care, customized reporting for compliance with HCAHPS requirements, and benchmarking information against

other similar healthcare providers in the nation. In addition to meeting CMS regulations, the contractors provide the data requested by the California Hospital Assessment and Reporting Taskforce which is a public report card for California hospitals.

Approval of the third recommendation will enable DHS to increase the maximum obligation of each Agreement by up to 20 percent in the event additional services or reports need to be obtained from the contractors during the term of the Agreements.

The fourth recommendation will enable DHS to extend the term of the Agreement with Press Ganey beyond December 31, 2013, to be co-terminous with any subsequent agreement that may be entered into between Press Ganey and UHC as a result of a UHC solicitation.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total cost of these agreements is as follows:

	FY2009-10	FY2010-11	FY 2011-12	FY 2012-13	FY2013-14 6 months
Press Ganey					
Harbor	\$23,786	\$23,786	\$23,786	\$23,786	\$ 11,893
Olive View	\$24,932	\$24,932	\$24,932	\$24,932	\$ 12,466
LAC+USC	\$79,863	\$79,863	\$79,863	\$79,863	\$ 39,932
TOTALS	\$128,581	\$128,581	\$128,581	\$128,581	\$ 64,291
Grand Total					\$578,615

The annual maximum obligation for NRC for Rancho is \$33,428.

Funding for these Agreements is included in the Department's Fiscal Year 2009-10 Proposed Budget, and will be requested in future fiscal years. Any increased cost due to an increase in the number of surveys will be funded within existing resources.

Press Ganey is reimbursed on a per survey basis. The costs for LAC+USC are higher than the other facilities, due to a larger number of patients being surveyed. The contractor requested rate increases for each of their services during the proposed extension period. DHS staff was able to negotiate the rates and reduce the number of surveys in order to maintain a fixed price per service throughout the entire extension period.

NRC is compensated on a fixed cost basis that includes the printing, mailing, and compiling of surveys for an estimated 2,700 discharged patients per year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Press Ganey

On November 18, 1997, your Board authorized DHS to join the UHC and its group purchasing program. As a member of UHC, DHS is able to access the group purchasing program service agreements and does so with prior approval of your Board.

After UHC conducted a competitive solicitation, Press Ganey was awarded a UHC agreement in October 2007 for Patient Satisfaction Measurement Services. On December 11, 2007, your Board approved an initial agreement with Press Ganey, based on the UHC solicitation, for the provision of patient satisfaction survey services at Harbor, Olive View, and LAC+USC effective on the date of Board approval through June 30, 2009.

As a result of a second competitive solicitation conducted by UHC, Press Ganey was selected to enter into a Patient Satisfaction Measurement Services Agreement with UHC on January 21, 2009. The Press Ganey agreement with UHC expires on December 31, 2013. Press Ganey currently provides patient satisfaction survey services to 1,249 hospitals nationwide, or 45 percent of all the facilities participating in HCAHPS.

NRC

Prior to issuing the final CMS regulations for HCAHPS data reporting requirements, Section 5501(a) of the Deficit Reduction Act of 2005 required hospitals to report additional quality measures in order to receive the full market increase to their Medicare payment rates. In preparation for the implementation of the CMS requirements for patient satisfaction survey results, Rancho conducted a selection process and submitted a statement of work to several national vendors of these surveys to compare products and costs. Unlike the other DHS hospitals, CMS requires two distinct surveys of Rancho, one for rehabilitation patients and one for non-rehabilitation patients. NRC is familiar with the demographics and other characteristics of Rancho's patient population. The NRC survey is proprietary as is their national comparative data. Since the PO will reach the statutory limit during the next fiscal year, DHS is recommending Board approval to enter into an Agreement with NRC.

Both Agreements

The Agreements include all of the current Board mandated provisions and may be terminated by either party with the provision of 30 days prior written notice. The recommended Amendment with Press Ganey also revised the Additional Provisions of the current Agreement to eliminate provisions that are not applicable to the services received from Press Ganey.

DHS has determined that these are not Proposition A agreements because the services are intermittent in nature and require highly specialized and technical survey methodology and data analysis and therefore are not subject to Proposition A guidelines.

County Counsel has approved Exhibits I and II as to use and form.

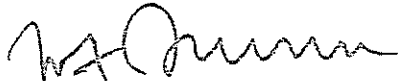
CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these actions will ensure DHS' compliance with CMS regulations.

Respectfully submitted,



John F. Schunhoff, Ph.D.
Interim Director

JFS: ds

Attachments (2)

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

Press Ganey BL